

Realty Trust Review

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MARKET & STATISTICAL ISSUE

The impact of short-term interest rates on REITs.....	p.1
Trust dividends climb further.....	p.3
Paine Webber Index of REIT market action chart.....	p.3
Advance-decline graph of realty trust trading.....	p.4
How to use Comparative Trust Statistics.....	p.4
Comparative Trust Statistics for 130 trust shares.....	p.5&6
Statistics for 83 trust warrants and 47 trust convertibles.....	p.7&8

MARKET COMMENT: STRAIGHT TALK ABOUT REIT EARNINGS IN A CHAOTIC MONEY MARKET

Chase Manhattan Trust earnings dropped 12.3% in the face of an unprecedented rise in short-term interest rates and we believe investors should expect more earnings declines from short-term mortgage trusts in the next few weeks. For most trusts--and especially the more highly leveraged ones--there is no way to avoid the adverse impact of runaway short-term rates. This issue seeks to develop an investment strategy to cope with this sequence of events.

The situation is basically this: short-term commercial paper rates rose 1.2% (to a 6.8% level) in the first 75 days of this year, equaling the gain for all of 1972. Half the gain took place the past four weeks. A rise of such steepness is nearly unprecedented. At the same time the prime rate has been under pressure from the Nixon Administration, although most major New York banks moved to the 6 3/4% level this past week.

An extraordinary squeeze on the highly leveraged short-term mortgage REITs resulted: their money costs soared in the face of jackrabbit commercial paper rates while their loan portfolio yields, mostly tied to an artificially depressed prime, could move up very slowly.

Earnings had to suffer and the first and most visible casualty was Chase Manhattan Trust, whose February quarter net fell 12.3% to \$1.14 per share. That figured because Chase carried a 3-1 leverage ratio that was among the industry's highest and its commercial paper outstanding of nearly \$500 million makes it the industry's leader by a wide margin. There was no way portfolio yield could rise fast enough to compensate for rising short-term money costs.

Chase's share price nosedived by about 20% (from 64 to 51) in about eight trading days. That weakness has persisted, partly because the trust said it has stopped accruing interest on three loans totaling \$11 million, or 1.6% of its \$688 million holdings. The market seems to be saying that the adverse trends will continue indefinitely.

We doubt this will be the case for long. For one thing, the Administration's "hold that prime" efforts have a Canute-like quality: in mid-February they worked for about 13 days and in mid-March for about four days. The real problem for the Chase, and other trusts, is not a

KENNETH D. CAMPBELL, EDITOR AND PUBLISHER / AUDIT INVESTMENT RESEARCH INC., 230 PARK AVENUE, SUITE 555, NEW YORK, N.Y. 10017 (212) 725-1410

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politically frozen prime rate but the swiftness of the move in commercial paper rates. And the real question is whether short-term rates will stabilize at current levels or continue this sharp rise.

It seems to us that the punishing part of the short-term rate rise is over, although short-term rates could well move to the 7% level and prime could be near 7% for the rest of the year. The early-1973 rise traces primarily to the Administration's surprising end of Phase II in January and the dollar devaluation that followed. Uncertainty overseas quickly spilled into the domestic money market. Most of the interest rate forecasts current around New Year's Day have already been smashed. Higher rates were already assured for 1973; they have just come much earlier than anyone expected.

Are the trusts sitting ducks for further marrauding by short-term rates? We doubt it, and explained in the March 12 issue that many trusts are already considering tying their loan rates to commercial paper rates instead of prime. As money tightens, this should be easier to sell to borrowers. Note that most trusts had already tied their loan rates to the First National City Bank of New York prime, which had a floating rate based on commercial paper until the Administration forced a change at the 6% level. Don't be surprised if banks go back to this formula again.

In the past REIT shares have been market favorites when interest rates were rising because their lending rates on new loans rose faster than money costs. These rates provided wider spreads on fixed-rate debt and equity. Thus while there was some temporary squeeze on spreads, ultimately their spreads widened sharply. Rates on new trust construction loans historically have ranged from 2.5% to 4.75%, and in the latest easy money period they came very close to the 2.5% mark. Now they're already widening because trust managers can read money market statistics. In the past REITs have adapted to new money market rules quickly and there's no reason to doubt that they will this time.

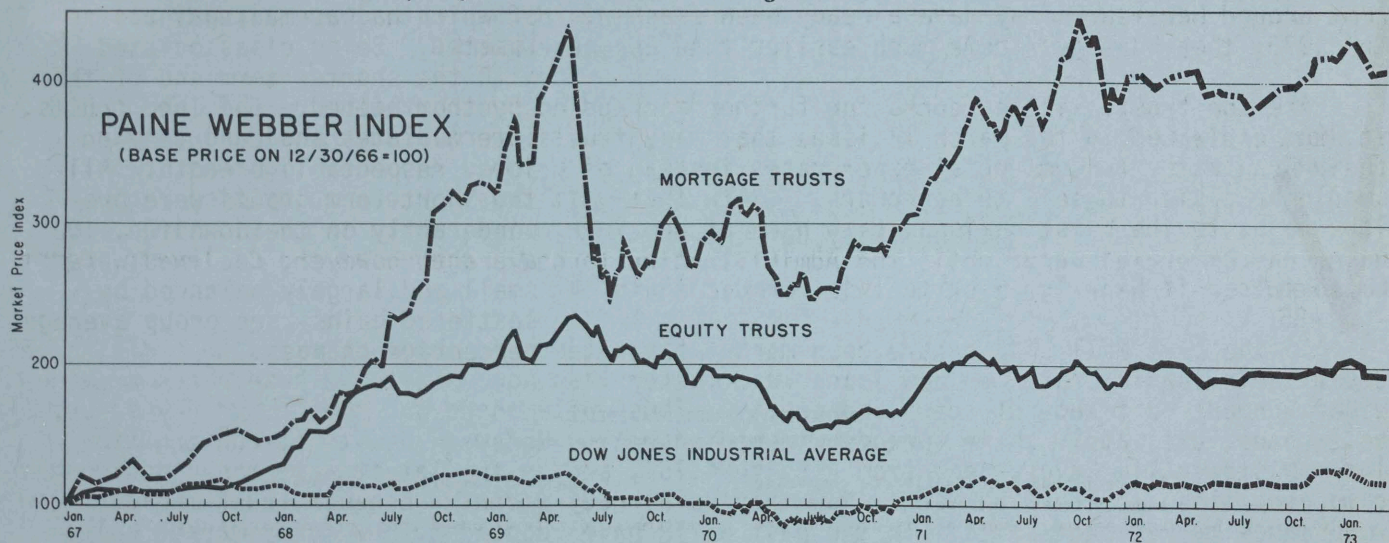
Each investor must assess three questions: 1) Will the trusts you hold report lower earnings? 2) How will the market react? and 3) Will a real buying opportunity open soon? On the first point, trusts with leverage ratios generally above 2-1 and heavy commercial paper borrowings are generally most vulnerable to earnings declines. Check past issues of REALTY TRUST REVIEW for leverage ratios (summarized on page 1 of each issue) and the components of debt for high-leverage trusts. As of our latest data, the highest leverage trusts are: *BT Mortgage*, 3.73 incl. subordinate debt; *Dominion Mtg.*, 3.16; *Chase Mtg.*, 3.0; *First Mtg.* and *Great American*, 2.73; *Guardian Mtg.*, 2.50.

On the second point, the market is very sensitive to dividend reductions. We estimate that many trust share prices could fall 10% or so if earnings and dividends don't meet expectations. Disappointment runs deep. But you should weigh carefully whether any quarterly variations are short-term or long-term in nature. Many times share price movements on earnings changes are very short-lived, as witness the 17% decline and 13% recovery in *Dominion Mortgage* the past two months. The current earnings squeeze falls into this transitory category.

Declines which reflect serious problem loans are quite another matter. In these instances the trust may have to work for months to take possession of a project and cure its problem, with a loss of earnings on the illiquid assets. Recent examples are *Associated Mortgage* and *GREIT Realty*. Associated has three problem loans aggregating about 20% of portfolio, and they will hurt earnings. GREIT has taken over management of 1,382 Houston apartments and cut its dividend by 25%, from \$0.40 to \$0.30 quarterly. We would avoid both issues until tangible evidence of solution.

To repeat, there's risk in today's market and each investor must choose how much risk he can absorb. That's a personal decision this service cannot make for you. There's a caution light flashing and you should heed it if you don't like the prospect of a decline in share quotations. We don't believe the decline is large enough for profitable short

selling, however. And very soon we expect the market to open some buying opportunities. We repeat the advice of two weeks ago: don't reach for yield in this market; stay with the life insurance and other institutional quality trusts even if it means riding through one or two down quarters. Last month trusts fell an average 1.8%. Largest advances were *Dominion Mtg.*, +12.9%; *First Continental Mtg.*, +9.2%; *Riviere REIT*, +8.6%; *Gould Investors*, +8.2%; *Arlen Property*, +7.6%. Decliners were *GREIT Realty*, -28.4% (see p.2); *Security Mtg.*, -14.9%; *Chase Manhattan*, -14.4% (see p.1); *Amer. Century Mtg.*, -14.3%; and *Wachovia Realty*, -12.6% (see note in dividend table). The Paine Webber Mortgage Trust index (below) declined 1.5% in the month while equity trusts were unchanged.



Source: Paine,Webber, Jackson & Curtis—Investment Bankers

DIVIDEND INCREASES SLOW MARKEDLY

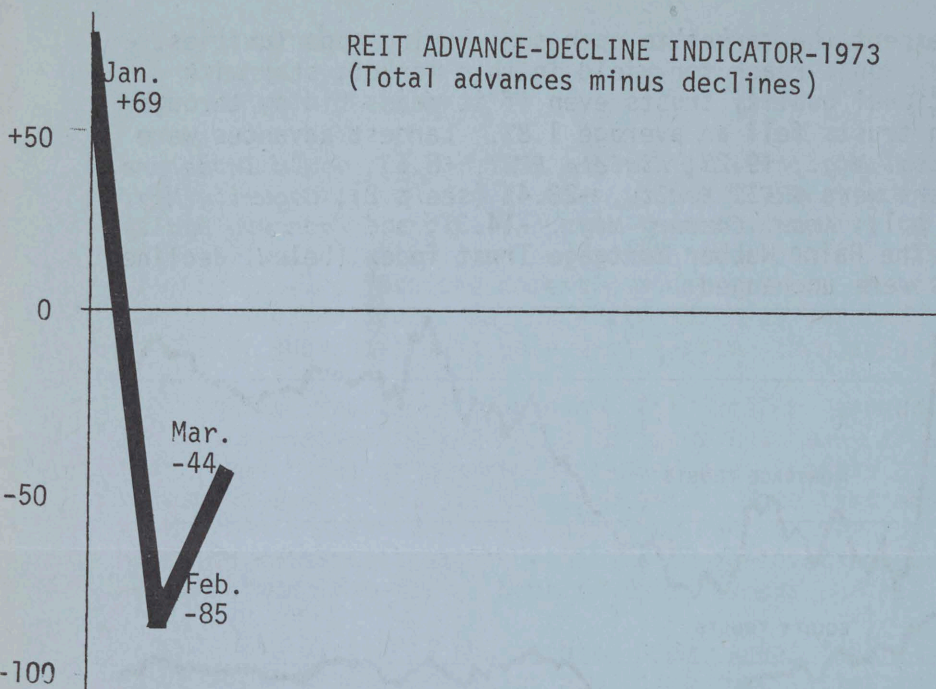
Dividend declarations slowed dramatically the past month to a 6.8% annualized rise over the previous quarter, lowest rate of gain since we began tallying dividends at the beginning of 1972. A month ago the quarterly rise was at a 20.4% annual rate. Five trusts cut dividends from their previous quarter, the 25% cut by *GREIT Realty* being the deepest and most serious (see p. 2). The cut in *KMC Mortgage* payout largely reflected a decline in standby and gap fees but does not indicate fundamental weakness. Declines in *Beneficial Standard* and *C.I. Mortgage* were due to higher shares out, largely due to warrant exercise. *Fidelco* earnings declined 3.0% and shares outstanding rose 2.6%, resulting in an estimated 3.5% dividend decline (actual amounts will be determined on the record date.) Warrant exercise appears to have about run its course for *Fidelco*, although the 180,000 warrants out (an 11.7% coverage) could restrict share results. The shares are well regarded.

	Record date	-Dividend per share-	--Net Change--		Year ago
		Latest	previous	Amt	ago
American Century	3/15	\$ 0.58	\$ 0.58	NC	\$0.58
Arlen Property	3/13	0.44	0.43	+ .01	0.37
Beneficial Std.	2/22	0.63e	0.65	- .02	0.57
Berg Enterprs. Rlty.	3/30	0.17*	NO	---	NO
C.I. Mtg.	3/15	0.18M	0.19	- .01	0.196
Cabot, C&F Land	3/14	0.57	0.55	+ .02	0.50
Comm. General	3/14	0.44	0.44	---	0.44
Cont'l. Ill. Properties	4/3	0.35	0.34	+ .01	0.25
Continental Mtg.	3/30	0.27	0.27	---	0.23
Cousins Mtg. & Eq.	3/23	0.58	0.54	+ .04	0.48
Diversified Mtg.	4/10	0.72	0.70	+ .02	0.63
Dominion Mtg.	3/30	0.45a	0.44	+ .01	0.25
Fidelco Growth	3/22	0.83a	0.86	- .03	0.85
First Continental	3/31	0.35	0.32	+ .03	NO
First Fidelity Inv.	3/12	0.15	0.00	---	0.30
First Memphis	3/16	0.49	0.46	+ .03	0.40
First Mortgage	3/13	0.57	0.57	---	0.55
General Growth	3/20	0.21	0.20	+ .01	0.15
Great American	3/29	0.265M	0.26	+ .005	0.205
GREIT Rlty	4/9	0.30	0.40	- .10	0.40
KMC Mortgage	3/20	1.02	1.00	+ .02	0.95+.31 Ex
Gulf Mtg. & Rlty.	3/16	---	---	---	.12
Hanover Sq. Rlty	3/30	0.42	0.30*	+ .12	NO
Heitman Mtg.	3/14	0.35	0.32	+ .03	0.28
Hospital Investors	3/30	0.39a	0.38	+ .01	0.32
Hospital Mtg.	4/6	0.52	0.50	+ .02	NO
Hubbard REI	3/23	0.38	0.38	---	0.37
ICM Realty	3/26	0.46	0.45	+ .01	0.40
Income Mtg. & Rlty.	3/16	0.25	0.225	+ .025	0.215
Indiana Mtg. & Rlty.	3/30	---	---	---	.05
Institutional Inv.	3/9	0.40	0.40	---	---
KMC Mtg. Inv.	4/2	0.29	0.31	- .02	0.12
M&T Mtg.	3/27	0.29	0.29	---	0.29
MassMutual M&R	3/12	0.50	0.50	---	0.48
Median Mtg.	3/15	0.33	0.33	---	0.30
Mortgage Growth	3/30	0.28	0.27	+ .01	0.22
NJB Prime	3/30	0.57	0.54	+ .03	0.21
National Mtg.	3/28	0.37	0.35	+ .02	0.345
Northwestern Mutual	3/30	0.48	0.46	+ .02	0.40
Old Stone Mtg.	3/20	0.31	0.30	+ .01	0.29
Palomar Mtg.	3/20	0.40	0.38	+ .02	0.35
Property Capital	3/5	0.40	0.39	+ .01	0.34
Rlty & Mtg. Pacific	3/31	0.42	0.41	+ .01	0.30
Summit Properties	3/30	0.25	0.25	---	0.25
Unionamerica Mtg.	3/19	0.61a	0.58	+ .03	0.59
Wachovia Rlty.	4/6	0.58	0.66c	---	0.65
Washington REIT	3/9	0.26	0.26	---	0.24
Western Mtg.	3/19	0.20	0.19	+ .01	0.16
TOTALS (40 Trusts) b		\$17.51	\$17.215	+\$.295	+ 1.7

Actual payment of Dividends with Uncertain Amounts at Declaration

Capital Mtg.	1/19	0.598e	0.624	- .026	- 4.2	---	0.599
KMC Mtg. & Rlty.	1/29	0.53e	0.54	- .01	- 1.9	---	0.50

a-On shares when declared, may be lower if additional shares are out by ex-dividend dates. b-Excludes initial, monthly and extra declarations. c-Not compared. Previous div. includes unstated amount of 1972 earnings. e-Actual amount paid on outstanding shares. *Initial. NC-No change. NO-No operations. M-Monthly.



The Advance-Dcline indicator was again deep in negative territory. Only 40 managed to advance (but this was twice last month's number) vs. 84 declines while six were unchanged. Strength was concentrated in the Equity and Equity & Mtg. combo groups, both of which had as many gainers as losers. Being disassociated with the shorter term end of the spectrum helped. The land trusts, Intermediates and Long term enjoyed respectable breadth. All the Short-term groups were preponderantly on the downside. On average, however, declines were small and largely balanced by scattered gains- see group average percentage changes.

COMPARATIVE TRUST STATISTICS

How to use these statistics--Please read carefully

The data inside are intended to facilitate comparison of relative efficiency of trust management with funds available during the latest period. Every effort has been made to present data for that purpose. Readers should note that the data are historical and not projections of future trends. This holds especially for dividends, which vary with each quarter's earnings for most mortgage trusts and thus are not to be considered in any way as guaranteed yields.

The heart of the comparisons is annualization of current earnings and dividend rates. For mortgage trusts, this is done by multiplying the latest quarter by four without seasonal adjustment. These earnings are adjusted for conversion of debt (i.e., fully diluted) but not for exercise of warrants, as described below. For equity trusts, net cash flow (defined as earnings plus depreciation and non-cash charges minus mortgage amortization) has been used and any known seasonal factors applied. The symbol "#" denotes use of cash flow in the earnings columns. Group averages may be reduced to the extent new trusts are included in any given group.

The number of shares outstanding is the number issued as of the latest balance sheet and is not adjusted for conversion or exercise of warrants. Book value per share however is adjusted for conversion of all convertible debentures. It does not reflect changes for any exercise of warrants.

Four standard comparisons are presented: price changes since the last issue; price/earnings ratios and estimated dividends based upon current market prices; and percentage of market price of book value. All values are positive unless indicated.

The fifth comparison, return on book value, measures management's performance with available funds. Because of the increasing complexity of trust capital structures, the computations are made in the following manner for trusts with these capital structures.

Convertible debentures only: Fully diluted earnings are compared with fully converted book value per share, since funds from convertibles are at work.

Warrants only: Primary earnings per share are compared with book value without assuming warrant exercise, since again this measures funds actually in use. Trusts in this category currently reporting significant differences and their primary and diluted earnings annual rates are listed inside.

Both warrants and convertibles: Fully converted book value is used. Primary earnings are being used because these are closest to converted earnings. Data for these trusts are slightly overstated. Where primary numbers are well above the dividend, the dividend is used and so noted. Trusts in this category are listed below.

Warrants only: American Fletcher, \$2.84 & \$2.48; Barnett, \$2.76 & \$2.16 (Sep); Barnett-Winston, \$1.40 & \$1.28; BT, \$2.92 & \$2.64; Builders Inv., \$2.88 & \$2.24; Cameron Brown, \$3.08 & \$2.36; CI Mtg., \$2.28 & \$1.84; Citizens Mtg., \$1.96 & \$1.64; CleveTrust, \$1.68 & \$1.65; Continental Ill. Rlty., \$1.68 & \$1.64; Cousins Mtg., \$2.32 & \$2.24; Dominion \$2.40 & \$1.44 (Nov); Fidelco, \$3.68 & \$3.20 (Nov); First Memphis, \$1.84 & \$1.16 (Nov); Indiana Mtg. \$1.48 & \$1.40; Mortgage Trust Amer., \$2.44 & \$1.76 (Nov); M&T, \$1.20 & \$1.12; PNB, \$2.20 & \$1.76; Realty ReFund \$2.12 & \$1.80 (Oct); Security Mtg. \$1.12 & \$1.12; Texas 1st \$1.92 & \$1.68; Unionamerica, \$2.44 & \$1.84 (Nov); USF Inv., \$2.88 & \$2.32; Wells Fargo, \$2.20 & \$1.88.

Warrants and Convertibles: Alison, \$3.00 & \$2.72; American Century, \$2.44 & \$2.20; Atico, \$2.32 & \$1.80; Ben. Std., \$2.84 & \$2.12; Capital, \$2.64 & \$2.24; Citizens & So. \$2.88 & \$2.64; Colwell, \$3.28 & \$2.60; Fidelity, \$3.52 & \$3.32; First Pennsylvania, \$2.32 & \$2.00; Galbreath, \$2.48 & \$2.32; Great American, \$3.08 & \$3.00; Guardian, \$4.28 & \$4.04; Median, \$1.44 & \$1.16; Midland, \$1.80 & \$1.60; Mortgage Inv. Washington, \$1.60 & \$1.32 (Sep); National Mtg., \$1.44 & \$1.36; Republic \$1.80 & \$1.64; Sutro, \$1.60 & \$1.60; Tri-So., \$3.12 & \$2.24.

NAME	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	EST DIV*	EARNINGS MON ANN*	LAST PRICE	% CHNG	P/E RATIO	EST* YIELD	% PR TO BK	RET ON BK	MKT VA (MIL\$)
EQUITY TRUSTS												
ARLEN PROP#	0-ARLNS	1012	14.92	1.76	DEC	1.76	16.50X	7.6	9.4	10.7	10.6	16.7
C I REALTY #	0-CIRLS	2609	23.16	1.52	NOV	1.60	18.25	-1.4	11.4	8.3	-21.2	47.6
CITIZENS GR#	0-CITGS	811	18.49	1.56	JAN	1.60	17.00X	4.0	10.6	9.2	-8.1	13.8
CON ILL PRO#	0-CILLS	4808	23.71	1.40	OCT	1.34	17.88	-0.7	13.3	7.8	-24.6	86.0
DENVER RLTY#	0-DENV	1091	9.46	0.60	DEC	0.89	8.13	-3.0	9.1	7.4	-14.1	8.9
FST FIDELTY#	0-FFITS	866	12.00	0.60	JUL	0.00	7.75X	0.3	0.0	7.7	-35.4	6.7
GENERAL GRO#	N-GGP	5554	6.91	0.84	DEC	0.84	19.50X	6.5	23.2	4.3	182.2	108.3
GIT REALTY#	0-GRDCS	1238	9.41	1.20	DEC	1.12	11.00	0.0	9.8	10.9	16.9	13.6
GOULD INVST#	0-GOULS	1179	7.79	0.80	DEC	0.84	9.00X	8.2	10.7	8.9	15.5	10.6
GRETT RLY#	A-GRT	998	14.51	1.20	JAN	1.60	12.00	-28.4	7.5	10.0	-17.3	11.0
HUBBARD REI#	N-HRE	4004	23.41	1.52	JAN	2.04	20.00X	-0.6	9.8	7.6	-14.6	80.1
JMB REALTY#	0-JMBRS	510	18.25	1.60	NOV	1.68	18.25	0.0	10.9	8.8	0.0	9.3
MUTUAL REIT#	0-MUTRS	1433	6.90	0.17	JUN	0.11	2.88	4.7	26.2	5.9	-58.3	4.1
NEW PLAN RLY	0-NPLNS	665	11.61	1.68	JUL	1.58	15.50	-5.4	9.8	10.8	33.5	10.3
PENN REIT#	A-PEI	1319	10.88	1.00	NOV	1.56	12.25	-2.0	7.9	8.2	12.6	16.2
REIT OF AMER	A-REI	1567	21.31	1.40	FEB	1.32	18.63	0.0	14.1	7.5	-12.6	29.2
SUMMIT PROP#	0-SMMTS	961	9.97	1.10	JAN	1.26	13.00	4.0	10.3	8.5	30.4	12.5
US LSG REI#	A-USF	1348	22.31	1.72	SEP	1.72	19.00	-5.0	11.0	9.1	-14.8	25.6
WASH REIT#	A-WRE	1356	9.37	1.04	SEP	1.04	13.50X	1.9	13.0	7.7	44.1	18.3
WISC REI FD#	0-WREI	1514	8.96	0.88	SEP	0.92	12.00	-3.1	13.0	7.3	33.9	18.2

GROUP AVG 1742 14.17 1.18 1.24 14.10 -0.6 11.5 8.3 7.9 9.2 548.0

EQUITY AND MORTGAGE COMBINATION												
AMER REALTY#	A-ARB	2102	8.02	1.00	SEP	0.87	10.25X	-3.5	11.8	9.8	27.8	21.5
BERG ENT RG	0-BENTS	1400	9.01	0.68	FEB	0.68	8.50	4.6	12.5	8.0	-5.7	11.9
BUILDERS INV	N-RSG	2480	23.60	2.88	DEC	2.88	29.63	-0.4	10.3	9.7	25.6	73.5
FIRST UNION#	N-FUR	3631	9.96	0.92	JAN	1.12	12.25	2.1	10.9	7.5	23.0	44.5
FLATLEY RLT	0-FLTLS	1000	9.14	0.68	DEC	0.76	8.25	6.5	10.9	8.2	-9.7	8.3
FRANKLIN PLY	A-FP	997	9.85	0.76	DEC	0.72	8.63X	3.8	12.0	8.8	-12.4	8.6
INCOME MTG#	0-INMRS	995	8.30	1.00	DEC	0.68	11.00X	2.3	16.2	9.1	32.5	10.9
INDIANA M&R	0-INDMS	1151	18.81	1.45	DEC	1.48	20.38	-5.2	13.8	7.1	8.3	23.5
INVESTOR RL#	A-IRT	1579	12.69	1.44	NOV	1.44	15.50	-3.1	10.8	9.3	22.1	24.5
LINCOLN MTG#	0-LNMGS	1153	9.36	1.00	DEC	1.12	9.50	-3.8	8.5	10.5	1.5	11.0
MILLER HEN S	0-HSMTS	560	18.42	1.52	NOV	1.58	18.25	2.8	11.6	8.3	-0.9	10.2
NJR PRIME #	A-NJB	1112	19.25	2.28	NOV	1.96	22.00	1.1	11.2	10.4	14.3	24.5
RIVIERE RLY#	0-RIVI6	783	8.95	0.96	JUN	0.92	11.13	8.6	12.1	8.6	24.4	8.7
RLTY INCOME	A-RT	1516	14.29	1.20	JAN	1.52	14.50X	-3.8	9.5	8.3	1.5	22.0
SAUL (BF)RET	0-SAULS	5512	15.22	1.52	DEC	1.56	19.50	-1.3	12.5	7.8	28.1	107.5
US BANCORP#	A-URT	660	23.73	2.08	FEB	2.60	27.25	-5.6	10.5	7.6	14.8	18.0
US REALTY#	A-UTY	3279	10.43	1.36	DEC	1.44	15.75X	2.9	10.9	8.6	51.0	51.6
WALTER JIM #	0-WALJS	1035	18.49	1.20	JAN	1.40	16.00	-0.8	11.4	7.5	-13.5	16.6

GROUP AVG 1719 13.75 1.33 1.37 15.46 0.4 11.5 8.6 12.9 9.9 497.3

SUBORDINATED LAND TRUSTS

CAROT LAND	N-CET	2894	20.43	2.28	FEB	2.28	26.50X	-0.7	11.6	8.6	29.7	76.7
ICM REALTY	A-ICM	3011	20.77	1.84	FEB	1.84	21.00X	2.2	11.4	8.8	1.1	63.2
PEASE ELLIM	0-PEASS	1114	17.91	0.00	NEW	0.00	16.75	-2.2	0.0	0.0	-6.5	18.7
PROPERTY CAP	A-PCL	2065	13.92	1.68	JAN	1.72	22.00X	0.5	12.8	7.6	58.0	45.4

GROUP AVG 2271 18.26 1.45 1.46 21.56 -0.0 8.9 6.3 20.6 8.1 204.0

SHORT-TERM MTG-MTG BANKER

ATICO MTG IN	N-ACO	2353	17.79	2.24	JAN	2.32	19.38	-10.4	8.4	11.6	8.9	45.6
BAIRD & WARNR	0-BAIDS	958	19.16	1.96	JAN	1.80	19.00	-6.2	10.6	10.3	-0.8	18.2
BARNES MTG	0-BARNS	1935	18.28	0.00	NEW	0.00	18.38	-3.3	0.0	0.0	0.5	35.6
CENTRAL MTG	0-CMRTS	775	18.58	1.60	DEC	1.64	17.75	-6.0	10.8	9.0	-4.5	13.8
CITIZENS MI	A-CZM	1407	14.10	1.72	DEC	1.96	17.25X	-2.1	8.8	10.0	22.3	24.3
COLWELL MTG	A-CLM	1714	22.00	2.93	DEC	3.28	29.75	-5.6	9.1	9.8	35.2	51.0
FIRST CONTNL	0-FCRES	1120	9.52	1.40	FEB	1.40	13.25	9.2	9.5	10.6	39.2	14.7
FRASER MTG I	0-FRASS	1038	17.01	2.24	FEB	2.08	20.25	-4.7	9.7	11.1	19.0	21.0
GALBREATH FM	0-GALBS	1025	24.62	2.48	DEC	2.48	26.50	-3.6	10.7	9.4	7.6	10.1
GUARDIAN MI	N-GMI	2234	28.35	4.18	FEB	4.28	40.75	-8.4	9.5	10.3	43.7	91.0
GULF SO MTG	0-GSMIS	760	18.73	2.42	DEC	2.32	20.38	-5.2	8.8	11.9	8.8	15.5
HAMILTON INV	0-HAMTS	1445	18.68	2.00	DEC	2.04	18.25	-1.4	8.9	11.0	-2.3	26.4
HEITMAN MTG	A-HTM	2338	11.69	1.40	DEC	1.32	13.00X	-7.9	9.8	10.8	11.2	30.4
JUSTICE MTG	0-JUSTS	1076	18.55	2.20	DEC	2.20	24.38	-5.3	11.1	9.0	31.4	26.2
KMC MTG IN	0-KMTGS	1100	13.99	1.16	NOV	1.24	12.50	4.2	10.1	9.3	-10.7	13.8
LARWIN MTG I	N-LWN	2005	18.60	2.76	DEC	2.76	27.00	-5.3	9.8	10.2	45.2	54.1
LOMAS & NTLN	N-LOM	3700	32.72	3.68	DEC	3.68	47.88	-2.3	13.0	7.7	46.3	177.2
M&T MTG INV	0-MTMTS	1482	10.26	1.16	FEB	1.20	12.75	-1.0	10.6	9.1	24.3	11.7
MIDLAND MTG	N-MMT	1884	12.92	1.80	DEC	1.80	16.75	-2.9	9.3	10.7	29.6	31.6
NATIONAL MTG	0-NMTGS	2226	10.66	1.48	FEB	1.44	14.38	6.5	10.0	10.3	34.9	13.5
NO AMER MTG	N-NAM	4263	14.23	2.56	DEC	2.56	29.88	-2.0	11.7	8.6	110.0	127.4
PALOMAR MTG	A-PMI	1812	13.39	1.72	FEB	1.72	16.00X	-0.6	9.3	10.7	19.5	29.0
SUTRO MTG IN	N-SUT	2313	16.80	1.60	DEC	1.60	16.75	-1.5	10.5	9.6	-0.3	38.7
TEXAS 1ST MT	0-TFMRS	1055	18.63	1.92	DEC	1.92	20.88	-4.6	10.9	9.2	12.1	22.0
TMC MTG INV	0-TMCMS	800	18.06	0.00	NEW	0.00	22.63	5.3	0.0	0.0	25.3	18.1

GROUP AVG 1713 17.49 1.94 1.96 21.43 -2.6 9.2 9.2 22.3 11.3 1003.8

#CASH FLOW

2253.1

NAME	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	EST DIV*	EARNINGS MON ANN*	LAST PRICE	% CHNG	P/E RATIO	EST* YIELD	% PR TO BK	RET ON BK	MKT VA (MIL\$)
SHORT-TERM MTG-INDEPENDENT												
ASSOC MTG IN	A-AMY	1339	22.00	1.80	SEP 2.52	17.88	5.9	7.1	10.1	-18.7	11.5	23.9
CAPITAL MI	O-CMORS	1441	23.77	2.48	DEC 2.64	25.75	-2.4	9.8	9.6	8.3	11.1	37.1
CONTNLT MTG	N-CMI	16931	9.67	1.08	DEC 1.08	11.50	-5.2	10.6	9.4	18.9	11.2	194.7
FIRST MTG IN	N-FIM	6776	15.79	2.11	JAN 2.00	22.38X	-7.3	11.2	9.4	41.7	12.7	151.6
MTG INV WASH	O-MINVS	1207	14.05	1.64	DEC 1.68	17.38	-2.1	10.3	9.4	23.7	12.0	21.0
REPUBLIC MI	N-RMI	2094	18.47	1.80	DEC 1.80	17.63	-1.4	9.8	10.2	-4.5	9.7	36.9
WESTERN MI	O-WMTGS	1000	8.96	0.80	NOV 0.76	8.38X	-1.9	11.0	9.5	-6.5	8.5	8.4
GROUP AVG		4398	16.10	1.67	1.78	17.27	-2.1	10.0	9.7	9.0	11.0	473.6
SHORT-TERM MTG-COMCL BANK												
AMER FLETCHER	A-AFM	1327	24.88	2.68	JAN 2.84	27.38	-3.1	9.6	9.8	10.0	11.4	36.3
BARNETT MTG	N-BMT	1707	21.76	2.56	DEC 2.80	27.50	-1.8	9.8	9.3	26.4	12.9	46.9
CAMERON-BROWN	N-CB	1986	24.14	2.92	DEC 3.08	31.00	-4.3	10.1	9.4	28.4	12.8	61.6
CHASE MAN MT	N-CMR	4592	30.49	5.08	FEB 4.16	54.25	-14.4	13.0	9.4	77.9	13.6	249.1
CITINATL DEV	O-CIT16	600	18.33	1.80	DEC 1.92	15.50	-11.4	8.1	11.6	-15.4	10.5	9.3
CITIZNS&SO RL	N-CZS	3602	21.95	2.84	DEC 2.88	34.50	-9.2	12.0	8.2	57.2	13.1	124.3
CONT ILL RLY	N-CIR	2796	18.59	1.68	DEC 1.68	19.75	-8.7	11.8	8.5	6.2	9.0	55.2
FST COMMERCE	O-FCRNS	1008	22.85	0.00	NEW 0.00	27.13	0.0	0.0	0.0	18.7	0.0	27.3
FST DENVR MT	A-FDE	1510	18.56	2.00	DEC 2.00	22.63	1.1	11.3	8.8	21.9	10.8	34.2
FST PENN MT	N-FPM	2694	20.82	2.24	JAN 2.32	24.25	-5.8	10.5	9.2	16.5	11.1	65.3
FST WISCON MT	A-FWM	1910	24.04	3.60	DEC 3.60	42.50X	3.8	11.8	8.5	76.8	15.0	81.2
TRI-SOUTH MI	N-TSI	1876	22.27	2.80	DEC 3.12	31.38	-4.2	10.1	8.9	40.9	14.0	58.9
UNIONAM M&EQ	A-UAT	1880	19.24	2.44	FEB 2.48	25.75X	-2.4	10.4	9.5	33.8	12.9	48.4
WACHOVIA RLY	N-WRI	3335	18.97	2.48	FEB 2.32	26.00	-12.6	11.2	9.5	37.1	12.2	86.7
WELLS FAR MT	N-WFM	3812	18.24	2.12	DEC 2.20	23.75	-0.5	10.8	8.9	30.2	12.1	90.5
GROUP AVG		2309	21.68	2.48	2.49	28.88	-4.9	10.0	8.6	31.1	11.4	1075.2
SHORT-TERM-MISC FINCL												
AMER CENTURY	N-ACT	2557	21.23	2.32	DEC 2.32	20.63X	-14.3	8.9	11.2	-2.8	10.9	52.8
BENEF STD MI	A-BSM	1219	22.47	2.52	JAN 2.52	25.13	-5.6	10.0	10.0	11.8	11.2	30.6
CI MTG GROUP	N-CI	4665	18.89	2.16	JAN 2.28	23.00X	-4.4	10.1	9.4	21.8	12.1	107.3
DOMINION M&R	O-DMRTS	543	9.20	1.80	FEB 2.00	17.50	12.9	8.8	10.3	90.2	21.7	9.5
FIDELITY MI	N-FID	2975	19.95	3.44	JAN 3.52	34.38X	-1.4	9.8	10.0	72.3	17.6	102.3
GRT AMER MI	N-GAA	4212	17.12	3.18	JAN 3.08	35.00X	-0.3	11.4	9.1	104.4	18.0	147.4
HANOVER SQ R	O-HASQS	649	19.14	1.68	FEB 1.68	19.50	-3.7	11.6	8.6	1.9	8.8	12.7
IDS RLY TR	O-IDRS	2408	23.59	2.20	DEC 2.20	26.13X	2.6	11.9	8.4	10.8	9.3	62.9
MTG TRUST AM	N-MT	3771	19.20	2.32	FEB 1.88	21.88	-1.7	11.6	10.6	14.0	9.8	82.5
USF INVSTRS	O-USFNS	2500	22.95	2.88	DEC 2.88	24.13	-5.4	8.4	11.9	5.1	12.5	60.3
GROUP AVG		2550	19.37	2.45	2.44	24.73	-2.1	10.3	9.9	32.9	13.2	668.3
INTERMEDIATE-TERM MORTGAGES												
ALISON MTG I	N-AMV	2110	20.71	2.96	JAN 3.00	28.25X	-6.1	9.4	10.5	36.4	14.5	59.6
BARNET-INST	O-BWITS	1661	18.59	1.40	DEC 1.40	19.50	6.8	13.9	7.2	4.9	7.5	32.4
DIVERSIFD MI	N-DMG	7307	20.05	2.88	DEC 2.80	26.25	-4.1	9.4	11.0	30.9	14.0	191.8
FST VIRGINIA	O-FVMTS	1208	23.31	1.68	DEC 1.76	24.00	1.1	13.6	7.0	3.0	7.6	29.0
MEDIAN MTG I	O-MDMIS	2325	10.19	1.32	JAN 1.32	13.25X	-2.2	10.0	10.0	30.0	13.0	30.8
PLTY REFUND	A-BRF	1032	18.52	2.20	JAN 2.20	21.13X	0.2	9.6	10.4	14.1	11.9	21.8
SECURITY MTG	A-SMO	6787	10.77	1.28	DEC 1.28	10.75	-14.9	8.4	11.9	-0.2	11.9	73.0
GROUP AVG		3204	17.45	1.96	1.97	20.45	-2.7	10.6	9.7	17.0	11.5	438.4
LONG-TERM MTG & EQUITIES												
BANKAM RLY	O-BRLTS	3464	19.22	2.12	JAN 2.12	29.25	0.4	13.8	7.2	52.2	11.0	101.3
BT MTG INVTR	A-BTM	2024	12.98	2.80	DEC 2.92	32.00	-3.8	11.0	8.7	146.5	22.5	64.8
CLEVELTRST RL	O-CTRIS	2518	18.62	1.68	DEC 1.68	20.38	1.2	12.1	8.2	9.5	9.0	51.3
CON GEN M&R#	N-CGM	5583	23.27	1.76	DEC 2.00	24.75X	-4.9	12.4	7.1	6.4	8.6	138.2
COUSINS M&EQ	N-CUZ	2338	17.99	2.32	FEB 2.32	28.63X	1.1	12.3	8.1	59.1	12.9	66.9
EQUIT LF MTG	N-EQ	5521	24.23	2.12	JAN 2.12	25.13	-2.4	11.9	8.4	3.7	8.7	138.7
FIDELCO GROW	A-FGI	1535	25.76	3.32	FEB 3.36	36.63X	-8.1	10.9	9.1	42.2	13.0	56.2
FST MEMPHIS	O-FMEMS	1160	18.09	1.96	FEB 1.96	20.75X	-1.8	10.6	9.4	14.7	10.8	24.1
GULF MTG&RLY	A-GMR	2210	18.21	1.68	NOV 1.54	18.50X	-5.7	12.0	9.1	1.6	8.5	40.9
HNC MTG&RLY	O-HNCMS	2006	20.03	2.00	JAN 2.00	23.75X	1.0	11.9	8.4	18.6	10.0	47.6
HOSPITAL INV	O-HOSPS	1260	18.53	1.56	FEB 1.56	15.88	0.0	10.2	9.8	-14.3	8.4	20.0
HOSPITAL MTG	A-HMG	1178	23.17	2.15	FEB 2.16	21.13	-4.0	9.8	10.2	-8.8	9.3	24.9
HOTEL INVSTR	A-HOT	1253	20.66	2.04	FEB 2.00	22.13	-3.8	11.1	9.2	7.1	9.7	27.7
INSTITUTNAL	N-INV	6074	13.56	1.60	JAN 1.56	16.50X	-2.8	10.6	9.7	21.7	11.5	100.2
LARWIN RLY	A-LRM	3610	18.61	1.24	NOV 1.24	14.88	0.0	12.0	8.3	-20.0	6.7	53.7
MASSMUT MTG	N-MML	4633	23.80	2.00	JAN 1.92	24.50X	-6.5	12.8	8.2	2.9	8.1	113.5
MONY MTG INV	N-MYM	8653	9.94	1.04	FEB 1.00	13.25X	3.9	13.3	7.8	33.3	10.1	114.7
MTG GROWTH I	A-MTG	2241	12.67	1.12	FEB 1.12	14.25	-1.7	12.7	7.9	12.5	8.8	31.9
NOWSTRN FINC	O-NFINS	1510	18.47	1.16	OCT 1.38	19.00	4.8	13.8	6.1	2.9	7.5	28.7
NOWSTRN MUTL	N-NML	4651	19.39	1.92	DEC 1.80	24.38	1.0	13.5	7.9	25.7	9.3	113.4
OLD STONE M#	O-OSMRS	541	13.17	1.24	DEC 1.32	14.38	0.0	10.9	8.6	9.2	10.0	7.8
PNB MTG & RLY	A-PNI	2237	19.04	2.12	DEC 2.20	24.38	-3.4	11.1	8.7	28.0	11.6	54.5
RAM PACIFIC	O-RPACS	1495	19.26	1.68	FEB 1.56	18.38	-1.3	11.8	9.1	-4.6	8.1	27.5
STATE MUTUAL	N-SMU	2673	20.02	2.48	DEC 2.60	25.50	1.0	9.8	9.7	27.4	13.0	68.2
GROUP AVG		2932	18.70	1.88	1.89	22.01	-1.5	11.8	8.5	19.9	10.3	1516.7

27N-16 A

6,425

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
ALISON MTG	O-ALIS5	12/75	81	19.00	1.0	9.38	28.25	0.5	-18.4	0.8
ALISON MTG*RB	O-ALISW	12/76	400	27.50	1.0	3.25	28.25	8.8	-18.8	1.3
AMER CENTURY	A-ACTW	6/75	899	23.00	1.0	1.75	20.63	20.0	-36.4	1.6
AMER FLETCHER	A-AFMW	1/75	540	25.00	1.0	3.25	27.38	3.2	-10.5	1.8
AMER REALTY	A-ARRW	9/76	1000	9.63	1.0	1.75	10.25	11.0	-12.5	1.8
ASSOC MTG IN	O-ASMGW	12/73	100	28.25	1.0	0.13	17.88	58.7	-65.8	0.0
ATICO MTG IN	A-ACOW	12/79	856	15.00	1.0	5.13	19.38	3.9	-24.0	4.4
ATICO MTG(R)	O-ATICS	4/81	359	21.00	1.0	1.50	19.38	16.1	-33.3	0.5
BARNES MTG	O-BARNW	12/77	1935	20.00	1.0	2.75	18.38	23.8	0.0	5.3
BARNETT MTG	O-BMTRW	4/80	1007	20.00	1.0	7.00	27.50	-1.8	-9.7	7.0
BARNETT-WINST	O-RWITW	7/77	1659	20.00	1.0	3.00	19.50	17.9	0.0	5.0
BENEF STD (R)	O-BSMB5	3/77	285	27.75	1.0	2.00	25.13	18.4	-20.0	0.6
BENEF STD MT	A-BSMW	7/75	604	20.00	1.0	5.50	25.13	1.5	-13.8	3.3
BERG ENT RG	O-BENTW	11/77	1400	10.00	1.0	1.00	8.50	29.4	-11.5	1.4
BT MTG INV	O-BTMGW	1/77	578	24.00	1.0	7.75	32.00	-0.8	-13.9	4.5
BUILDER IN	O-BULDW	12/76	2480	25.00	1.0	5.88	29.63	4.2	-9.5	14.6
CAMERON-BROWN	O-CMRNW	11/76	1546	25.00	1.0	5.75	31.00	-0.8	-19.4	8.9
CAPITAL MTG	O-CMORW	11/74	630	20.00	1.0	5.88	25.75	0.5	-11.3	3.7
CENTRAL MTG	O-CMTW	3/77	775	20.00	1.0	2.88	17.75	28.9	-8.0	2.2
CI MTG GROUP	A-CI.W	3/80	3000	20.00	1.0	3.25	23.00	1.1	18.2	9.8
CI REALTY IN	O-CIRLW	3/77	2609	25.00	1.0	2.13	18.25	48.7	13.3	5.6
CITINATL DEV	O-CITIS	4/75	600	20.00	1.0	0.50	15.50	32.3	-20.6	0.3
CITIZENS GRO	O-CITGW	1/77	785	20.00	1.0	1.00	17.00	23.5	-11.5	0.8
CITIZENSMTG	A-CZMW	12/74	703	15.00	1.0	2.50	17.25	1.4	-9.1	1.8
CITIZNS & SO	O-CSRIW	10/75	1008	20.00	0.5	7.00	34.50	-1.4	-17.6	7.1
CLEVELAND RL	O-CTRIW	1/76	2514	20.00	1.0	1.75	20.38	6.7	-17.8	4.4
COLWELL MTG	O-CLWLW	9/73	300	29.38	1.0	2.75	29.75	8.0	-26.7	0.8
COLWELL MTG	A-CLMW	12/74	486	20.00	1.0	9.75	29.75	0.0	-13.3	4.7
CONT ILL RLY	O-CONIS	4/74	180	20.00	1.0	3.25	19.75	17.7	-13.3	0.6
COUSINS MTG	A-CUZW	2/77	750	24.63	1.0	4.50	28.63	1.7	-10.0	3.4
DENVER REIT	O-DENV5	5/76	165	11.00	1.0	0.63	8.13	43.1	-28.4	0.1
DOMINION (R)	O-DMRT5	10/87	550	17.75	1.0	3.00	17.50	18.6	9.1	1.6
DOMINION M&R	O-DMRTW	6/76	495	12.00	1.0	5.88	17.50	2.2	17.6	2.9
FIDELCO GROW	A-FGIW	9/75	220	25.00	1.0	12.38	36.63	2.0	-22.0	2.7
FIDELITY MTG	O-FIDES	3/79	173	22.25	1.0	11.75	34.38	-1.1	-7.8	2.0
FIR MEMPHIS	O-FMEW	2/75	1136	20.00	1.0	2.00	20.75	6.0	-11.1	2.3
FIRST DENVER	A-FDEW	10/75	1510	20.00	1.0	3.13	22.63	2.2	-3.7	4.7
FIRST PENN	O-FPMTW	9/75	540	28.25	0.5	0.88	24.25	23.8	-12.0	0.5
FIRST PENN	O-FPMTW	7/74	1833	20.00	0.5	2.00	24.25	-1.0	-24.0	3.7
FIRST UNION	O-FUREW	12/76	600	12.75	1.0	1.00	12.25	12.2	-20.0	0.6
FIRST VA MTG	O-FVMTW	5/77	1208	25.00	1.0	2.50	24.00	14.6	0.0	3.0
FLATLEY RL	O-FLTLW	5/75	1000	10.00	1.0	0.63	8.25	28.8	-37.0	0.6
GALBREATH FM	O-GALBW	1/76	654	32.00	1.0	0.75	26.50	23.6	-33.6	0.5
GRT AMER MI	O-GAMIW	11/75	38	20.00	2.0	28.50	35.00	-2.1	9.6	1.1
GUARDIAN MT*	A-GMIW	5/76	567	37.00	1.0	6.63	40.75	7.1	-24.2	3.8
GULF MTG&PLY	A-GMRW	3/76	2210	20.00	1.0	2.00	18.50	18.9	-6.1	4.4
GULF SO MTG	O-GSMIW	2/77	760	20.00	1.0	2.25	20.38	9.2	-30.8	1.7
HAMILTON INV	O-HAMTW	7/76	1444	20.00	1.0	1.88	18.25	19.9	-16.4	2.7
HOSPITAL INV	O-HOSPW	8/76	1260	20.00	1.0	1.63	15.88	36.2	0.0	2.1
HOSPITAL MTG	A-HMGW	2/77	1178	25.00	1.0	1.88	21.13	27.2	-11.7	2.2
IDS RLTY TR	O-IDSRW	2/77	2408	25.00	0.5	2.13	26.13	12.0	-5.3	5.1
INCOME MTG	O-INMRW	6/77	500	10.00	1.0	0.75	11.00	-2.3	-40.0	0.4
INDIANA M&R	O-INDMW	6/77	575	20.00	0.5	2.38	20.38	21.5	-4.8	1.4
JMB REALTY	O-JMBRW	8/77	510	20.00	1.0	2.00	18.25	20.5	0.0	1.0
JUSTICE MTG	O-JUSTW	1/76	1050	20.00	1.0	5.50	24.38	4.6	-8.3	5.8
KMC MTG IN	O-KMTGW	12/76	1100	15.00	1.0	0.75	12.50	26.0	-25.0	0.8
LARWIN MTG	O-LWNS	4/77	700	32.00	1.0	2.13	27.00	26.4	-5.3	1.5
LARWIN RLTY	A-LRMW	12/76	3610	20.00	1.0	1.38	14.88	43.7	-15.3	5.0
M&T MTG INV	O-MTMIZ	8/75	748	13.00	1.0	1.13	12.75	10.8	-18.1	0.8
MEDIAN MTG I	O-MDMIW	9/76	1237	12.50	1.0	2.75	13.25	15.1	0.0	3.4
MIDLAND MTG	O-MIDMW	9/74	386	12.50	1.0	3.88	16.75	-2.2	-11.4	1.5
MTG INV WASH	O-MINWV	3/75	1010	15.00	1.0	2.63	17.38	1.4	-12.3	2.7
MTG TRUST AM	O-MORTW	11/74	2736	19.00	1.0	2.50	21.88	-1.7	-13.2	6.8
NATIONAL MTG	O-NMTGW	3/79	315	10.00	1.0	4.38	14.38	0.0	25.1	1.4
NO AMER MTG	O-NOAMS	12/74	287	24.00	1.0	5.50	29.88	-1.3	-8.3	1.6
NORTH AM MTG	A-NAMRS	3/79	720	31.13	1.0	3.38	29.88	15.5	-6.9	2.4
NOWSTRN FNC	O-NFINW	11/77	1510	20.00	1.0	2.75	19.00	19.7	-15.4	4.2
OLD STONE MT	O-OSMRW	3/77	600	16.00	1.0	0.75	14.38	16.5	-33.6	0.4
PALOMAR MTG	A-PMIW	3/77	604	16.50	1.0	1.50	16.00	12.5	-14.3	0.9
PEASE ELLIMN	O-PEASW	11/77	1113	18.50	1.0	2.00	16.75	22.4	0.0	2.2
PNR MTG&RLTY	A-PNIW	12/74	1420	20.00	1.0	4.00	24.38	-1.6	-20.0	5.7
REPUBLIC MI	A-RMIW	6/74	1064	20.00	1.0	1.25	17.63	20.5	-16.7	1.3
RLTY REFUND	O-RREFW	6/74	1026	20.00	1.0	2.00	21.13	4.1	0.0	2.1
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	1.25	10.75	60.5	-23.3	3.9
SUTRO MIT(R)	A-SUTW	6/77	700	20.00	1.0	1.63	16.75	29.1	-23.5	1.1
SUTRO MTG IN	O-SUTRS	4/74	299	20.00	1.0	1.38	16.75	27.6	-44.8	0.4
TEXAS 1ST MT	O-TFMRW	6/76	1055	20.00	1.0	2.88	20.88	9.6	-8.0	3.0
TRI-SOUTH MI	O-TSMGW	12/74	665	20.00	0.5	5.50	31.38	-1.2	-13.8	3.7
UNIONAM M&EO	A-UATW	12/74	629	20.00	1.0	5.88	25.75	0.5	-16.0	3.7
US LSG REI	A-USEW	12/74	1348	25.00	1.0	2.00	19.00	42.1	-11.1	2.7
USF INVESTRS	O-USFNW	6/75	2500	25.00	1.0	2.38	24.13	13.5	-17.4	5.9
WALTER JIM	O-WALJW	7/77	1035	18.50	1.0	2.63	16.00	32.1	0.0	2.7
WELLS FARGO	O-WELLW	7/74	3656	20.00	0.5	1.63	23.75	-2.1	-18.5	6.0

*DEBENTURES USABLE IN LIEU OF CASH.

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG
ALISON MTG	AS	'91	6.75	27.50	102.13	6.6	-7.8
AMER CENTURY	AS	'90	7.00	21.00	98.00	7.1	-15.2
AMER CENTY'B	NY	'91	6.75	28.00	79.00	8.5	-10.2
AMER REALTY	OC	'84	7.00	10.75	93.00	7.5	-2.1
BAIRD&WARNER	OC	'91	6.75	21.00	88.00	7.7	-6.4
BANKAMERICA	OC	'90	6.75	21.00	138.00	4.9	0.0
BENEF STD MT	AS	'91	6.50	27.75	88.00	7.4	-5.4
CAPITAL MTG	OC	'91	6.50	32.54	83.00	7.8	-1.8
CHASE MANHTN	NY	'96	6.50	55.00	104.00	6.3	-7.8
COLWELL MTG	OC	'91	6.50	29.38	100.00	6.5	-2.0
CONN GENERAL	NY	'96	6.00	32.50	80.50	7.5	-4.7
CONTNLT MTG	NY	'90	6.25	22.25	76.63	8.2	-2.4
EQUITBL LF M	NY	'90	6.75	26.25	98.25	6.9	-1.7
FIDELITY MI	AS	'85	7.75	21.25	160.00	4.8	-1.8
FIRST PENN M	OC	'91	6.75	26.00	93.00	7.3	-2.1
FIRST UNION	NY	'91	7.00	13.00	93.00	7.5	0.5
FRANKLTN RLY	AS	'89	7.00	10.00	86.50	8.1	-0.6
GALBREATH	OC	'91	7.00	28.50	92.50	7.6	-1.6
GRT AMER MI	OC	'91	7.00	35.50	98.00	7.1	3.2
HANOVER SQ R	OC	'92	7.25	21.00	93.00	7.8	-3.1
HEITMAN MTG	AS	'92	7.50	14.70	94.00	8.0	-3.6
HNC MTG	OC	'91	6.75	21.00	112.00	6.0	0.0
HOTEL INVSTR	OC	'90	7.75	21.00	108.00	7.2	0.0
HOTEL INVTPS	OC	'91	7.50	25.25	90.00	8.3	0.0
LINCOLN MTG	OC	'90	8.00	11.00	87.00	9.2	-5.4
MASSMUTL MTG	NY	'90	6.75	21.00	119.75	5.6	-7.9
MASSMUTUAL M	NY	'91	6.25	33.50	83.00	7.5	-1.2
MEDIAN MORTG	OC	'92	7.50	13.50	98.00	7.7	-4.9
MEDIAN MTG I	OC	'90	7.50	10.00	132.00	5.7	-4.3
MIDLAND MTG	OC	'86	7.00	16.67	95.00	7.4	-3.6
MONY MTGIN	NY	'90	7.00	11.00	119.00	5.9	2.6
MTG INV WASH	OC	'90	8.00	15.00	115.00	7.0	0.0
NATIONAL MTG	OC	'91	7.00	12.00	119.00	5.9	7.2
NJB PRIME	AS	'91	6.75	21.00	101.00	6.7	1.4
NOWSTRN MUTL	NY	'91	6.00	21.00	120.00	5.0	6.2
OLD STONE MT	OC	'87	6.88	15.00	92.50	7.4	0.0
RAM PACIFIC	OC	'91	6.75	21.00	84.00	8.0	-2.9
REALTY INCOM	AS	'91	8.00	16.50	92.50	8.6	0.5
REPUBLIC MI	NY	'90	7.25	19.00	96.13	7.5	-0.9
SAUL (BF) PL	OC	'91	6.50	23.00	95.00	6.8	0.0
SAUL (BF) RET	OC	'90	8.00	15.50	123.00	6.5	0.0
STATE MUTUAL	AS	'91	6.75	21.00	116.00	5.8	-0.4
SUTRO MIT	NY	'82	6.75	20.00	82.50	8.2	-2.4
SUTRO MTG	AS	'91	6.75	20.00	84.50	8.0	-0.6
TRI-SOUTH MI	NY	'92	7.00	29.50	104.00	6.7	-6.3
US BANCORP	AS	'92	7.00	26.25	104.00	6.7	-7.1
US REALTY IN	AS	'89	5.75	20.20	75.00	7.7	0.7

*ANNUALIZED-QUARTER MULTIPLIED BY FOUR. #CASH FLOW. X-EX DIVIDEND. @-CASH FLOW INCLUDING DEBT DISCOUNT AMORTIZATION. GROSS CASH FLOW USED FOR U.S. BANCORP, DENVER REALTY AND LINCOLN. DIVIDEND USED IN PLACE OF EARNINGS FOR MEDIAN, AMER. CENTURY AND BENEFICIAL STAND. AMER. CENTURY INCL. CAP. GAIN THIS QTR. CHASE DILUTED EARNINGS EST. SYMBOLS SHOWN ARE TICKER SYMBOLS FOR LISTED ISSUES AND NASDAQ SYMBOLS WHERE AVAILABLE. ALL OTHERS ARE FOR COMPUTER IDENTIFICATION.